

CHINA'S SOFT POWER AND PUBLIC DIPLOMACY IN CEE: PRODUCTIVE OR COUNTERPRODUCTIVE

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ABSTRACT

The present paper is looking into the relations between China and the CEE countries from China's soft power perspective in the wake of the recent developments between the two parts. After a general analysis of China's soft power sources and limitations the paper brings into discussion the historical relations between China and the CEE countries. It also tries to see the motives of China's interest in this region and at the same time it tries to evaluate whether its soft power in the region is either productive or counterproductive.

KEYWORDS: China, CEE, Soft Power, Public Diplomacy

INTRODUCTION

Not long before, the world became aware of the rise of a new power that is China. Although anticipated at first by Napoleon and then by Peyrefitte the world had to wait until the twenty-first century to witness the rise to the status of great power of one of the most ancient peoples, just as it itself had kept a low profile waiting for the right time to rise according to Deng Xiaoping's principle of *taoguangyanghui*. But with its rise China understands that it needs to take responsibility of its rise and at the same time enhance its power projection while it also needs to assure the world of its peaceful rise. Therefore, China's accent on soft power in the last few years suggests that it became aware of the need to build trust by allowing the other members of the international political community to understand and support, if not only accept, China's political model and policies.

If at first China's focus has mainly been towards the emerging markets of the developing economies in Africa and South America, and due to disagreements over the value of the yuan and human rights issues with the United States and Western Europe, nowadays its attention also shifted towards the Central and East European countries for a few reasons such as: first, to invest in thriving economies which are part of the European Union, second, to try to open a door and seek leverage towards the European Union as a homogenous body, and third, to use the favorable relation with the CEE countries as a means to expand its soft power.

With a growth and even fast-growth in the development of the bilateral relations between China and CEE with the inauguration of China-Central and Eastern European Cooperation Secretariat in 2012 and organizing in 2013a tourist products promotion event and a series of events such as a forum on cultural cooperation along with a forum of young political leaders of China and CEE and an Education Policy Dialogue, and most importantly the summits of the heads of government of China and the CEE countries in Warsaw in 2012, in Bucharest in 2013 and in Belgrade in 2014, one cannot but pursue his research in China's soft power within this framework in order to find out what could be the result of such a

surge in their relations.

If we listen to some voices from within the European Union there are serious reasons to question China's intentions of destabilizing the European Union by means of the old strategy of "divide and conquer". On the other hand according to recent developments, it seems that the European Union does not need any external help in order to stay divided on many issues. Moreover the Chinese investment in CEE offers a much better solution for the reconstruction of their economies after the crisis where the EU itself cannot reach consensus and find a viable solution.

Thus this paper is trying to investigate how China's interest in the CEE fluctuated and what determined China's shift in attention. The focus will be on the role of the Chinese foreign strategy and China's soft power in the process of approaching CEE given their status within the European Union. Moreover it will try to answer the question whether China's public diplomacy is either productive or counterproductive in the CEE and with what implications, or questions related to what China and the CEE learned from failures such as COVEC in Poland and Niro market in Romania among others and what is the impact of the Chinese diaspora with in the CEE.

CHINESE SOFT POWER AND PUBLIC DIPLOMACY

The concept of public diplomacy is a very contested one but general consensus points to the fact that it "involves activities in the fields of information, education and culture aimed at influencing a foreign government through influencing their citizens. It also aims to clarify foreign policies by explaining why they are beneficial to other nations and peoples."(Melissen, 2005). Given the global character of the world we are living in, governments have lost full control over the processing and diffusion of information therefore the new environment offers the possibility of interdependent relations between the populations from different parts of the globe that "encompass dimensions of international relations beyond traditional diplomacy" (Wolf and Rosen, 2004). It is important to mention that the relation between public diplomacy and soft power is not one of synonymy if we consider their source i.e. government which is pro-active and is trying to persuade others, versus society which is passive but because of its values attracts others. The relation between public diplomacy and soft power as acknowledged by David Shambaugh (2011) in a conference at George Washington University in 2011 is that they can enhance each other but without a social intrinsic soft power public diplomacy is reduced to state propaganda due to the fact that the message transmitted by one government to another society is not acceptable.

China's Sources of Soft Power

The image and reputation of a country has been acknowledged to be a very important factor in nowadays' international relations. Because countries become more and more aware of this aspect and China not being an exception, for the last decades mainly, it has tried to make use of the public diplomacy in pursuing an increase in its soft power. As Minister Zhao Qizheng(2012) of the State Council Information Office argues "[s]erious distortions, even attacks, often appear in reports about China in Western media. Over the years, they have constantly invented and hyped up buzz topics as China threat. These are spread through their powerful media groups, resulting in widespread misconceptions about China among foreign publics". Given this fact corroborated with the idea that China is center-stage in the world due to the large numbers of Chinese citizens going abroad and foreigners coming to China, Zhao Qizheng(2012) agrees that China needs to perfect its national diplomacy. In the last few years China has been watched closely and it knows that it needs to tell a different story to the world, different from what the Western media usually tells about China. That is why China started telling its own story via its own soft power tools such as China Daily, China Radio International, and China Central

Television (CCTV).

China understands very well the value of its ancestral culture although for many decades it played almost no role in building its image. However, during the post-Mao period of reform and opening China started revitalizing its traditional culture for a few reasons such as raising people's awareness of their ancestral origin and therefore the right to claim an important position in the international system, and of course as a tool of statecraft, a tool to improve its image in the world. President Hu himself made it very clear in his address to the 17th CCP Congress in 2007 that a country's culture is a very important element of soft power and China would make all efforts to use this asset in building a positive perception in the world (http://news.xinhuanet.com/newscenter/2007-10/24/content_6938568_6.htm (10 March, 2013)). In May 2010 the message was reiterated by Premier Wen Jiabao with emphasis on the urgency of developing cultural exchanges, increasing China's international cultural influence with soft power becoming the key-terms for the two Congresses (Dai et al., 2010).

The Chinese proficiency test has seen a visible increase in examinees and the China National Office for Teaching Chinese as a Foreign Language with an annual budget of \$200 million has developed a very effective language-promotion network. The number of the foreign students in China has also increased dramatically in the last decades. Although it is difficult to quantify the influence of this training on the future elites that studied in China but for sure they will have a stronger understanding of the Chinese culture and interests (Gill and Huang, 2006).

Joshua Cooper Ramo (2004) mentioned in his article that China's growth model and success might represent a shift from the Washington Consensus to the 'Beijing Consensus'. Although Western powers tend to deny its success it became more obvious since 2008, with the start of the financial crisis, that China's model is becoming more appealing than the Washington Consensus, at least in some parts of the world. It also proved that economic freedom is possible without political freedom and it might be more effective given the actual global situation. Some former soviet countries such as Kazakhstan, Uzbekistan and Turkmenistan, not to mention Russia itself seem to look more towards China for economic thinking rather towards other western mechanisms such as IMF or the World Bank. Other countries of the world including India, Iran, Brazil among the most representative have shown their interest in the Chinese model and try to implement it within their boundaries. Even though most of the American scholars try to downplay the Chinese development and the influence of the Chinese governing system in the world, Diane Sawyer with ABC News dedicated a few episodes to China's development in November 2010 and her attitude was mostly positive.

China's increasing participation in international institutions and organizations such as ASEAN, initiating talks on a China-ASEAN free trade area, or UN participation in peacekeeping operations, is also a source of soft power of a China that wants to send the message that it is ready to take more responsibility in the world affairs.

The Limits of China's Public Diplomacy

The efforts China makes to improve its soft power are tremendous and at the same time very productive in some parts of the globe but given that the mainstream perceptions are usually induced by the Western, developed countries, there are some co-elements in China's soft power that do not satisfy the general opinion of the Western countries in point of credibility.

China's public diplomacy is mainly limited by the fact that it is highly controlled by the central government and therefore it is perceived as propaganda. On the other hand the success of China's public diplomacy is exactly its planned character based on learning from previous experience, continuity and perseverance.

Where as in the 1990s and before, little unfavourable information was released to the public and the press, in the recent years more and more information is released to the public. After learning from the first outburst of SARS in 2003 that China's image can suffer hard blows because of downplaying the incident, in 2004 when the second wave of SARS occurred the Chinese government became less opaque and swiftly took action; not to mention the recent corruption scandal saga related to top politician Bo Xilai that highly drew the attention of the Western media and implicitly positively emphasized the endeavours and at the same time the determination of the Chinese government to put an end to the corruption within the Chinese Communist Party. This had a double positive effect: first in the realm of public diplomacy and second among the Chinese people where the Chinese Communist Party is making efforts to prove its legitimacy. Another example is that of the official Yang Dacai who was sacked in 2012 due to a scandal that was started by his inappropriate attitude at the site of an accident and moved towards his expensive watches that could not have been acquired by legal means (Mark et al., 2012).

According to Ingrid Hooghe (2005) another aspect of China's public diplomacy's limitation would be the continuous control of the civil society. As long as cultural figures as Ai Weiwei and Liu Xiaobo are not given the necessary freedom to express themselves due to their stand on human rights or the actual regime, the advances China makes in its soft power are undermined. In 2013 the Chinese deputy editor of the Central Party School's weekly journal Study Times, Deng Yuwen, was suspended because of an article he published in The Financial Times on China's strategic alliance with North Korea, calling it "outdated" (Perlez, 2013). As the Nobel Prize winner Mo Yan defends the fact that censorship is necessary, he is also aware that dealing with social realities makes it difficult for a writer to express himself freely because of political reasons, therefore many artists can only write about the past (Flood, 2012). Although China registered a real success given the large foreign participation in the 2008 Olympics and the Shanghai Expo in 2010 the empty chair in Oslo at the Nobel prize ceremony in 2010 corroborated with Chen Guangcheng's refuge in the American embassy in Beijing sent signals that countered the efforts China is making in the directions of increasing the strength of its soft power.

Once with the increased number of Chinese people going abroad (more than 70 million every year (Mark et al., 2012)) they have become an important element of soft power. The Chinese diaspora plays a double role abroad. They are first of all antennae of their government reporting back home (sometimes to their local governments who provide help and guidance in case of emergency) and second they are representatives of their culture and society. Bo et al. (2009) acknowledge the importance of the education of the people belonging to a certain nation and they point to the negative image left by the Chinese travelers overseas who might behave in an uncivilized manner according to a critique from a 2006 article in Guangzhou's Nanfang Zhoumo (Yan and Ma, 2006). The authors also acknowledge the improvements that need to be made in order for the Chinese tourists, students and workers to leave a better impression in foreign countries. They mention the incidents in England where Chinese students before leaving the country either overused the credit cards leaving the accounts uncovered, or obtained free phones on one year contract and left the country in a few days, with the phone (Bo et al., 2009). The direct effect was that the service providers became more cautious by changing their policies towards the Chinese citizens and treated the later Chinese customers with less trust.

Probably the most cited weakness in China's soft power projection is its 'incoherent' foreign policy (Gill and Huang, 2006). As mentioned above, on the one hand China is promoting the image of a country in search for harmonious development but on the other hand it allows nationalist tendencies to maintain tensions in the South China Sea corroborated with strong military build-up that is perceived by the neighboring countries as a threat. As Nye mentions in his

article “China’s Soft Power Deficit”, although since the 1990s China’s scholars shifted their focus towards soft power and the Chinese Communist Party has become aware of the necessity of investing more in its soft power resources, China meets some serious challenges in implementing smart power strategies mainly due to the double course of action it takes, i.e. aid programs in Africa and Latin America not limited by institutional or human rights restraints, while increasing its military expenditure and flexing its muscles in the South China Sea (Nye, 2012). Just as Luan (2007) mentions that China’s soft power and hard-power are not coordinated. In the same direction Zhang (2011) acknowledges that China’s soft power is left behind as opposed to its development of the hard-power.

CHINA-CEE RELATIONS

Cold War China-CEE Relations

In order to be able to analyze the development of the relations between the CEE and China it is inevitable to look at the past that connects the two actors. If during the Cold War China and the CEE were both part of the Communist block where political and economic support was one of the constants in their relations, once with China’s opening-up policy and CEE’s admittance in the European Union respectively, relations suffered changes and developments that could not have been anticipated during the Cold War period.

What is important to mention is that the relations between China and CEE during the Cold War revolved around the relations with the Soviet Union. Some of the CEE countries found support in China in their struggle to break from the Soviet influence at times when the CEE countries could hope for no support from other parts of the world. Romania is a good example. After the 20th Congress of the Communist Party of the Soviet Union when Khrushchev exposed Stalin’s crimes, China started moving away from the new Soviet ideology that it called ‘revisionist’. The East European countries went through a period of taking sides. Yugoslavia drew near USSR, and other countries like Hungary, Poland and Czechoslovakia tried to separate more from Kremlin and bring in some political change but faced Soviet intervention. Albania also estranged itself from the Soviet Union given the closer and closer relations between Yugoslavia and USSR. It was during his period that China became aware of the imperialist tendencies of the Soviet Union and tried to secure its independence playing its cards between USSR and the United States. Therefore, using the stratagem of the second Taiwan crisis of 1958, Mao tried a rapprochement with the United States (Kissinger 2011).

The relation between China and Europe was merely secondary according to Yahuda (1997) and China’s relations with the CEE countries, at occasions, touched on the legitimacy of the Communist party within China. At the same time they gave China the impression of belonging to a certain international community which came to an end with the collapse of Communism in Eastern Europe. Yahuda (1997) also identifies four phases in the relations between Eastern European countries and China i.e. ‘fraternalism’ of the 1950s when China needed to prove its allegiance to Stalin, the impact of the Sino-Soviet Split of the 1960s and 1970s, the rapprochement of reform Communism in the 1980s due to China’s open doors policy (gaige kaifang), and the new divide of 1989.

Right after the collapse of Communism in Eastern Europe China welcomed the new leaders but relations became less important as the CEE’s attention shifted towards the West, most of them trying to join NATO in a race to secure their new democracies and to find a shelter from the Soviet menace, along with China’s isolation due to the Tiananmen incident. Therefore, although the status of the relations with China in most of the cases was still positive the focus of the CEE countries was on strengthening their new regimes and looking for alliances that could protect them and help them develop economically as they were leaving behind a period of poverty and backwardness, while China’s focus shifted towards its

internal social problems. At the same time some of the new CEE leaders did not want to tie their name to a Communist regime that proved undemocratic.

Post Cold War China-CEE Relations

After two decades of reduced collaboration, the relations between the Central and Eastern European countries and China started their surge culminating with the announcement of the twelve points of friendly cooperation between China and CEE and as a result the creation of the China-Central and Eastern European Cooperation Secretariat under the Chinese Ministry of Foreign Affairs (http://www.fmprc.gov.cn/mfa_chn/ziliao_611306/1179_611310/t926854.shtml) (9 April, 2013). Following the meeting between CEE leaders and Chinese leaders in April 2012 in Warsaw, on September 6, 2012 the first conference of China-Central and Eastern European Cooperation Secretariat took place in Beijing. Representatives of the 16 CEE countries participated, and following the inaugural ceremony Song Tao, Vice Foreign Minister and Secretary-General of the Secretariat, chaired the first national coordinators' meeting (<http://www.mfa.gov.cn/eng/wjdt/wshd/t969490.htm>) (9 April, 2013).

A question that might rise is why China would take interest in the CEE countries as they are not at their borders, they are not rich countries, they are struggling with the economic crisis with little positive prospects for the near future. One of the answers could be found in Premier Wen Jiabao's discourse at Davos in the summer of 2009 where he states that China's soft power relies on the respect towards all countries, and especially towards the developing and less developed ones, and on helping these countries while China is herself in the process of developing (<http://theory.people.com.cn/GB/166866/index.html>) (10 April, 2013).

Another answer could be taken from the words of Chinese Vice Foreign Minister Song Tao who holds that the relations with the CEE could be an area of growth in the China-Europe comprehensive strategic partnership as a whole proposing four ways of strengthening cooperation: further building of mutual trust in the political sphere; the expansion of economic cooperation; strategic cooperation in international affairs; and the building of closer bonds via people-to-people contact (http://www.gov.cn/misc/2012-04/13/content_2112791.htm) (18 May, 2013). Out of the four points, two are related to China's increase in soft power i.e. mutual trust and people-to-people contact which not only indicates China's recent concerns about its soft power but also the acknowledgement that the CEE countries can act as Chinese public diplomacy receivers and even emitters.

Vice Minister of Commerce Jiang Yaoping stresses that the CEE countries are emerging markets in Europe and given their geographical position, good industrial foundation, high-quality labor force and enormous infrastructure construction needs, they are very appealing to China, and China is willing to invest in this area and support mutual benefit (http://english.gov.cn/2012-04/16/content_2114857.htm) (18 April, 2013). Moreover, China's status of supplier of the Western economies applies to most of the CEE countries which implies that the structure of the Chinese economy and the economies in the CEE countries is very similar, but also that they might be potential competitors.

A more recent view is that the CEE countries are important actors in creating a Silk Road Economic Belt connecting China and the European Union as indicated by President Xi Jinping in his speech in Kazakhstan on September 7, 2013, and analyzed by scholar Liu Zuokui (http://www.ciis.org.cn/english/2014-09/18/content_7243192.htm) (9 November, 2014).

Moreover, the CEE countries do not usually bring up in the relation with China sensitive issues related to human

rights, Tibet, and Taiwan, which makes them a more attractive partner than Western Europe. That is also because themselves are still fighting corruption or minority rights issues. Many of the countries would not receive Dalai Lama especially because they do not want to hurt the relations with China or create a dangerous secessionist precedent. Dalai Lama was invited in Romania in 2010 by the political leader of Hungarian ethnicity Laszlo Tokes who supports the autonomy of a Romanian territory inhabited to some extent by Romanian minorities of Hungarian ethnicity, but in response the Romanian government reiterated its stand that it recognized only one China with Tibet being part of it and as a result the visit was cancelled (<http://www.romanialibera.ro/actualitate/eveniment/dalai-lama-acuza-romania-de-servilism-200270.html> (7 June, 2013). On the other hand the Hungarian Prime Minister Viktor Orban met Dalai Lama in 2000 but in a shift of attitude towards China he did not meet him in 2010 when the Tibetan leader visited Hungary again. Moreover, in 2011 at the China-Central and Eastern Countries Economic and Trade Forum in Budapest the Hungarian Premier did not voice any human rights concerns (Orban, 2011).

The points of view mentioned above stressed the fact that the relations between China and CEE nations are within the framework of supporting the European integration as part of the Sino-European comprehensive strategic partnership. The assurance of China's good intentions was imperative given the voices of some scholars in Europe on the topic.

The EU is also aware of the importance of China and of the CEE countries in the relations of the EU with China. That is probably why the previous Romanian Ambassador to China his Excellency Viorel Isticioaia-Budura was appointed the Managing Director of Asia within the newly formed European External Action Service. He is an expert on China given his studies in Tianjin and the office he held between 2002 and 2010 in Beijing.

PERCEPTIONS AND MISPERCEPTIONS IN THE EU-CEE-CHINA RELATIONS

As perception is the most important element related to soft power and public diplomacy the following section will look into the perceptions regarding the relations between China and CEE, and between China and CEE as part of the European Union.

There is a perception gap between China and Europe and probably this is the main cause of the uncertainties and complexities of their relations mainly because European scholars tend to emphasize the role of values and rules that attracted EU's reputation of a normative power and the Chinese scholars who focus on issues of political, economic and cultural development (Xia, 2009).

China as an EU Destabilizer

Due to China's recent and obvious interest in the CEE countries some scholars begin to cast some doubts over China's intentions in the area. It is not new that the EU members cannot agree on many matters, be it internal or external. For this very reason China perceives the EU as disunited leaving room for other external actors to interfere with the members' integration process. The CEE countries are young democracies, working hard to integrate into the European Union, and because of the recent developments in the world economy they are very vulnerable. In 2012 Romanian Prime Minister Victor Ponta and in 2013 Hungarian Prime Minister Viktor Orban tried to strengthen their power by modifying the constitution and placing some important legislative bodies under their control; these moves have been criticized by the EU, and for Romania it triggered once again the refusal to join the Schengen area in early 2013.

The CEE countries also still hold nostalgias of the past friendly relations with China and welcome the

rejuvenation of their relations. China and the CEE countries also share the resentment of old cultures who have been subjugated, plundered and exploited along history therefore CEE perceives China as a more trustworthy partner who does not have geopolitical ambitions in this part of the world. As the Chinese themselves point out, the relations between China and the CEE countries are not influenced by historical disputes, border problems, ethnical, cultural or religious disputes (Bailes, 1990). These factors make the CEE countries more vulnerable to China's charm but from another perspective they could be the basis for a more effective and creative collaboration in the larger stated tendency towards building a bridge of stability, growth and prosperity, reform and progress, and of common cultural prosperity (Yang, 2014).

If some European researchers see the economic crisis as a vulnerable spot for the EU in dealing with China, according to Professor Zhimin Chen (2012), Dean of the School of International Relations and Public Affairs at Fudan University in Shanghai, the Chinese government understands the difficult situation the European Union finds itself in at present and identifies it as a new opportunity to strengthen the EU-China relationship. He also mentions the practical actions taken by China to support the EU by purchasing government bonds and upgrading the dialogue level through creating a strategic dialogue mechanism between the EU High Representative Lady Ashton and the Chinese state councilor Dai Bingguo.

The bond diplomacy is quite an effective strategy to welcome the Chinese presence in the CEE. Even though there are very few figures released to the public as to the amount of purchased bonds in the CEE, only the rumour of the Chinese support might increase the respective country's creditworthiness as it happened with Hungary in 2010. As Godement et al. (2011) maintain, this bond diplomacy might be only an imaginary phenomenon that could make the countries unhealthily depend on China individually instead of creating a situation of interdependence between China and EU as a whole.

The concerns expressed by some European scholars derive mainly from the very source of the Chinese soft power i.e. its culture. Sun Zi's *Art of War* is one of the best sold Chinese books in the Western world, but at the same time it reflects the Chinese traditional strategic thinking to which Kissinger (2011) makes reference to support the point that China is a very sophisticated strategist whose perception of the world is very different from that of the West and therefore less predictable and trustworthy. At the same time China thinks in terms of centuries not in terms of political mandates and as one might understand from Kissinger's book the traditional game of playing foreigners off against each other in order to win over its enemies is a continuous process since the Europeans invaded China in the nineteenth century.

Some researchers argue that Sun Zi's traditional thinking is also a preponderant of the Chinese modern thinking reflected in the episode of the British delegate Lord George McCartney in 1793-94, or of Nikita Khrushchev in 1958 who were treated with extraordinary hospitality just to realize that they did not obtain anything out of their visits. Thus, some CEE scholars voice their mistrust related to the climate of trust and good atmosphere created by the Chinese leaders in the relation with CEE (Golonka, 2012).

The same line of thought follow Fox and Godement (2009) in "A Power Audit of EU-China Relations", and Godement et al. in "The Scramble for Europe" arguing that although at times China finds it irritating that the EU states are divided but for the most of the times it is easier to exploit the divisions among them for its own interest. Godement (2012) in another article related to Premier Wen Jiabao's visit to Warsaw in 2012 acknowledges that it is understandable for Poland and New Europe to take initiative with China as long as the Western European countries are coming out for intergovernmental action towards China, bypassing the Commission and securing deals for themselves.

Chinese Perceptions of CEE

While Chinese have different points of view with regard to the European Union there is consensus regarding CEE. People in their 40s and above can still recall the positive relations between China and the CEE countries, but the young generation's knowledge about them and the dynamics these relations underwent after the end of the Cold War is very limited, just as Jin Yan (2011) acknowledges that the Chinese underestimated reforms and even missed the deep changes that took part in CEE. This is partly the fault of the CEE countries' isolation from China after the end of the Cold War and their lack of resources and know-how to develop a coherent public diplomacy towards the world in general and towards China in particular. As part of the European Union, the CEE countries are better understood in general terms but it is to be mentioned that they are different from the older EU member states that have a longer history in the EU and who also belong to the Euro zone in their majority. Moreover, not all CEE countries joined the EU at this point and even less joined the Euro zone.

Although the Chinese public might understand EU more than they understand CEE, their perception of the European Union is confusing given the complexity of the EU institutional mechanism and decision making process. On the other hand, the EU is a post-modern structure which is not easily understandable by people who are still living in a modern nation-state structure (Chen, 2012). There might be a misleading perception that the CEE countries form a homogenous market as both Hungary's Foreign Minister Janos Martonyi and National Economy Minister Gyorgy Matolcsy suggest during a symposium organized by the Hungarian government on relations between China and CEE (Han, 2012). The reality is that the CEE countries are as much divided as the other EU members and China understands to put emphasis on individual member states. Therefore one might expect China to deal with individual member states first and with larger institutions second (Chen, 2012).

In Professor Chen's (2012) article mentioned above it is also mentioned that China is increasingly concerned with the inability of the EU member states to reach consensus in its policy towards China therefore EU is unable to deliver and form a more fruitful partnership. Again, it is not China's malicious strategies of playing the member states off against each other that makes China successful but it is the very fact that the EU members cannot create a cohesive body that determines China's success in the area. China is aware of its negative image abroad and genuinely does not understand why the outer world holds this attitude towards it as China is a peaceful international actor who seeks harmony. The CEE countries, less than the other Western countries, also perceive China as profiting from its economic opening to rip profits from western investments without contributing to global governance, supports undemocratic regimes, it is building up its military capacity, and among others encourages nationalist attitudes resulting in anti-foreign campaigns and xenophobia (Golonka, 2009).

CEE Perceptions of China

A weakness of the Western political world is the limitation in time of its thinking and action. Politicians usually think in terms of a mandate, and mandates usually do not have continuity from one leader to the next. It is not the same thing with China if we are to look at their history and traditional thinking. What is to be taken into account is that their regime and their governance, as opposed to the Western one, have coherence and to a certain extent continuity and can respond rapidly to developments on the international arena. The CEE countries do not have a long-term thinking but the Chinese do when it comes to CEE. While the CEE countries are only reacting to crisis the Chinese plan to stay longer on the market and build long-term relations (Golonka, 2012).

The people in the CEE countries did not understand China properly and they still do not understand it completely. Just a few years ago they either pictured the Chinese still in the far past due to the martial arts movies they watched, or wearing gray uniforms like they recall from Chairman Mao's era. It is only in the recent years that people in the CEE countries started to realize the perception gap between what they thought of China and what China really is. And that was achieved mainly by the success of the two important global events i.e. the 2008 Olympics in Beijing and the 2010 Expo in Shanghai.

The attitude towards China varied within the CEE after the democratization process started in 1989. The Romanian leaders for instance, President Ion Iliescu and Prime Minister Adrian Nastase, visited China on a few occasions during their mandate maintaining very friendly relations. On the other hand the then Czech new leader, Vaclav Havel took a more anti-Chinese stance and refused to visit China due to China's violation of human rights, and as a consequence, he strengthened the relations with Taiwan, and he also invited Dalai Lama to the International Forum 2000 (Bondiguel, 2007).

China's continuous investment in the CEE countries is a very strong element in building confidence and positive attitudes towards China. China invested in Hungary by opening a battery plant by BYD Automobile Co Ltd., in Bulgaria by opening an automobile factory by Great Wall Motor Co Ltd., and in 2011 Premier Wen Jiabao announced 400 million euros investment for a European logistic base acting as a hub for Chinese goods entering EU (Moody, 2011). After the foundation of the Secretariat for Cooperation between China and Central and Eastern European Countries, and the subsequent summits, China and the CEE countries have signed many important contracts for projects related to infrastructure, communication systems, and energy. As a result of the Chinese influence in these countries Romania even signed a controversial memorandum with Huawei to participate in the construction of some critical national IT systems such as the National System of Communication and Information that raised many concerns from the specialists with regard to security both at national and NATO levels. Huawei has been blocked by U.S.A., Canada, Britain (NATO members) and Australia from participating in projects for building national networks of communication (<http://economie.hotnews.ro/stiri-telecom-16655823-ministerul-condus-dan-nica-publicat-joi-site-memorandumul-semnat-huawei-doua-zile-dupa-hotnews-prezentat-acest-document.htm>) (21 February, 2014).

There are also a few less successful examples in the CEE-China relations. The COVEC (Chinese Overseas Engineering Group) story is worth mentioning here because of its impact on the public opinion in the CEE countries and especially in Poland, and its effect on the Chinese perceptions towards CEE. COVEC was the first Chinese company to win a large public contract within the EU to build two short parts of the A2 highway in Poland, but because of miscalculations, both financial and cultural, the partnership failed with COVEC exiting the project. The too low bidding and the surge in prices on the local market led the Chinese company into the position of not being able to cover the costs of the construction even if in the last months they brought in Chinese workers in order to cut labor costs. The Chinese company was probably counting on a later renegotiation of the contract given the political support the project received from the beginning, thing that never happened because of the strong public opinion against the Chinese company and the competitors who accused the Chinese of unfair practices. What the Chinese learnt from this was that unlike Africa or other parts of the world with more authoritative regimes political support cannot defeat EU regulatory frameworks. The Chinese also learnt that public opinion began to play an important role in CEE. The Chinese diplomats played down the case not allowing it to escalate into a political quarrel considering it merely a business dispute (Oxford Analytica, 2011).

Still, while China can control and adjust the public tools it employs or the state-owned enterprises to create a positive environment for further development, there is lack of coordination as far as the overseas Chinese are concerned. Analyzing the 2009 incident at the Niro market in Romania gives an image of the Chinese diaspora's impact on the local authorities and people in the countries whose market they are trying to penetrate. Because of Romania's alignment with the European norms the government could not allow the Niro market to run in the previous unorganized environment which was improper for exercising commercial activities, that is they did not meet safety requirements and most of them were avoiding tax. As a consequence, at the end of the contract the government decided to close down the market and relocate it in the newly built buildings which respect the European standards exactly in the same manner the Xiangyang market in Shanghai was relocated to several places where the environment was proper for conducting commercial activities. In Romania, after the first raid of the Romanian authorities sealing the shops the Chinese merchants reopened them forcing the Romanian authorities to operate a second round. As a result the merchants complained to their local governments back in China and even violently rioted against the local authorities in Romania. What in Romania was regarded as a regulatory action in the Chinese media was reflected as "hidden regulation" and at the same time abusive action, but it also reflected the strong involvement of the Chinese authorities in trying to solve the issue (Xie, 2009). Attention needs to be paid to the fact that when the Chinese government decides to close down an area for real estate development the common practice of the Chinese authorities is to brick up the entrances of the shops in order to keep the merchants from abusively and illegally reopening them. The Romanian government was not aware of these practices and were forced to learn about the merchants' resilience. At the same time the Chinese merchants also learnt that they should abide by the regulations of the country they are located in.

As mentioned above, what China is really good at is when it comes to what it can coordinate directly i.e. the state-operated institutions like China Radio International and the Confucius Institutes that in the last few years worked relentlessly to improve CEE countries' perception towards China. CRI is broadcast in many languages, especially in some of the local languages of the CEE countries. It is present even very actively on Facebook where it acquires more and more fans and increases the public's awareness over the Chinese politics, from a Chinese perspective. Once again one can acknowledge China's pragmatism in using all tools to reach its goals, just as Deng Xiaoping's adage: it does not matter if the cat is black or white as long as it catches mice.

The increasing number of Confucius Institutes are the tip of the spear of the Chinese public diplomacy. They keep a fair distance from the government's propaganda and focus more on the cultural aspect of China. They organize events to increase understanding towards the Chinese culture and realities, teach the language, support Chinese martial arts events. Not integrating politics in their discourse smoothens their penetration in the local society without giving birth to negative reactions. Still, as it is becoming commonly acknowledged, the Chinese holistic view of the world makes it impossible to leave politics out of all the other domains as we can infer from The First Conference on China-CEE Cross-Cultural Dialogue, Education and Learning organized by the Confucius Institute at the Faculty of Economics University of Ljubljana and the Shanghai Institute of Foreign Trade that took place in Slovenia in October 2013 under the honorary patronage of the Slovenian President Borut Pahor. Also, China is afraid that taking a more proactive attitude in promoting its values and its development model might result into a confrontation with the Western world (Glaser and Murphy, 2009). When opening a Confucius Institute the common practice is for the foreign Institution to take the initiative and invite the Dragon in. In addition to the Confucius Institutes, many NGOs were created to bridge the local cultures in the CEE and China at the local people's initiative given their interest in the Chinese language and culture. In 2012 China planned to offer

the CEE countries for the following five years 5000 scholarships, along with inviting 1000 students from these countries to study Chinese and supporting another 1000 Chinese students and researchers to study in these countries (http://paper.people.com.cn/rmrb/html/2012-04/27/nw.D110000renmrb_20120427_6-02.htm?div=-1 (27 April, 2012).

CONCLUSIONS

Once with its growth China became aware of the need to increase its soft power by means of public diplomacy which is reflected in its leaders' speeches and in the efforts it undertook in the last decade. Although very resourceful, China's soft power also has limitations that the Chinese government is making efforts to overcome.

The relations between China and the CEE countries have a long history with warmer and colder times but with no essential disputes that makes their recent rapprochement easier and their collaboration more effective. Differences among scholars concerning China's intentions in the CEE countries exist but seem not to hamper the trend of their relations, but rather adjust them towards a more equilibrated cooperation.

As suggested above, China's soft power in the CEE tends to be more productive when it is coordinated by the Chinese government through its agencies and less productive, or even counterproductive if individuals themselves exert it. The Chinese government being aware of their citizens' practices abroad could, as a correcting measure, inform the businesses abroad that there is a need to change their conduct on foreign markets given the differences in legal systems to which China is also adhering in the last decades. It is well understood that all business should bring the most of profit but it should be done in a manner that respects the values of the host market and they should not counter the efforts of their own country to build a positive image abroad. On the other hand some overseas Chinese might not be aware of the changes China itself has undergone in the last years therefore they still turn to the Chinese government for leverage in supporting their interests on foreign markets where they do not observe the local legislation.

Finally, the Chinese soft power tends to be more productive on the whole because the CEE countries, in their need for the beneficial partnership with China in the wake of the economic crisis and the potential of the economic cooperation, tend to minimize the failures in the bilateral relations, and China tends to down play them with the same purpose in mind.

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